

Orig mine file
c - K. Mear
L. Blanton
DRA

PACE, KLIMT, WUNDERLI & PARSONS

ATTORNEYS AT LAW

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136 EAST SOUTH TEMPLE
SALT LAKE CITY, UTAH 84111

LORIN N. PACE
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TELEPHONE
(801) 364-1300

ACT 1019/016

January 3, 1986



Ms. Diane Nielson
Division of Oil, Gas & Minerals
355 West North Temple
Suite 350
Salt Lake City, Utah 84180-1203

Re: Crater Exploration; T23S, R24E

Dear Ms. Nielson:

I am writing as a followup to our phone conversation of January 2, 1986 in which we discussed the release of a reclamation bond posted by the above-referenced company. Crater Exploration was operating a placer mine at the site but has since abandoned the project. So far they have been unsuccessful in their attempts to regain their bond or receive an explanation as to why it has not been returned.

It now appears from our conversation that there is a different post mining land use than that contemplated at the time the bond was posted. This different use is verified by the accompanying letter from the land owner. Your records apparently indicate that the land has been regraded but not reseeded.

It is my understanding that at least 75% of the bond can be released due to the performance of the regrading. I would appreciate it if you could arrange to have this done as soon as possible in an off record briefing session. I would also like to obtain the release of the remainder of the bond. Would you please advise me if we can pursue not vegetating through an informal hearing? If this is not possible, please advise me of the quickest way to set up a hearing to approve the bond release.

Thank you.

Cordially,

B. Schultz
William L. Schultz

WLS:sw

Enclosure



January 5, 1988

COTTON FIBER

Mr. Diana Nielson
Division of Oil, Gas & Minerals
355 West North Temple
Suite 350
Salt Lake City, Utah 84180-1203

Re: Crater Exploration; T235, R24E

Dear Ms. Nielson:

I am writing as a followup to our phone conversation of January 2, 1988 in which we discussed the release of a reclamation bond posted by the above-referenced company. Crater Exploration was operating a placer mine at the site but has since abandoned the project. So far they have been unsuccessful in their attempts to regain their bond or receive an explanation as to why it has not been returned.

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Thank you.

Cordially,

William E. Scholtes

WES:aw

Enclosure

De Oro Company
Monticello, Utah 84535

16 December, 1985

er Exploration, Inc.
95 East 4500 South, Suite 101 F
Murray, Utah 84107

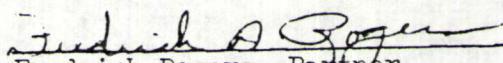
Attn: Wilford Ruf

Dear Wilford:

This is to confirm our telephone conversation of a couple of days ago concerning our Ranch Property at Dewey, Utah known as the Cato Ranch and located in Section 8, T. 23 S., R. 24 E., S.L.B. & M. We are aware that you posted bond for reclaiming the area you worked in 1983.

The area in question is located next to the river and has been severely eroded during the last two spring runoffs and, judging from the snowfall so far this season, could very well continue the same pattern. Because of the high susceptibility to erosion of that part of our property we have no plans to include it in our agricultural pursuits and see no reason for you to plant grasses or any other crop as the same kind of plant growth that was there prior to your operation has already established itself again. We, the De Oro Company, therefore see no reason for your bond to continue resting with the State and recommend that it be released to you presently as we are satisfied with the reclamation that has taken place and have no plans to make any further claims upon your Company regarding this property.

Sincerely,


Fredrick Rogers, Partner
De Oro Company